

October 28-29, 2004

Should Medicare Eliminate its Requirement for Physician Referrals to Physical Therapy Services?

ISSUE: Should Medicare eliminate its requirements—that a physician refer beneficiaries to physical therapy services and oversee beneficiary care—for outpatient physical therapy services to be covered by the program?

KEY POINTS: Under current Medicare coverage rules, physicians must refer beneficiaries for physical therapy services, review the plans of care, and reevaluate beneficiaries needing treatments extending beyond 60 days. Physical therapists would like these requirements removed so that PT services would be covered regardless of the involvement of a physician in the care of the beneficiary.

Section 647 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), Congress requires MedPAC to study the feasibility and advisability of Medicare's requirement for physician referrals and oversight for physical therapy services. The report on the study, together with any recommendations for legislation or administrative actions as the Commission determines to be appropriate, is due by January 1, 2005.

The issue paper provides background and analysis of the issue.

ACTION: The staff seeks Commission approval of the draft report and its conclusions.

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